

OM 91-620

ADMINISTRATIVE PAGE

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OMAHA OFFICE

AT OMAHA, NEBRASKA

Will follow and report the Grand Jury decision with regard to [redacted] same having been presented April 18 and April 29, 1952.

Will follow and report prosecutive action in connection with the receiving violation allegedly committed by BENNIE BARONE in exchanging currency and silver coins taken from the Laurens, Iowa, bank burglary, November 3, 1950.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director - FBI
 cc(2)Omaha
FROM : SAC - Kansas City(58-95)
SUBJECT: KENNETH ALLEN KITTS, was.,
 BANK ROBBERY(Burglary); Bribery.

DATE: May 9, 1952

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Deputy United States Marshal JOHN W. GALLAGHER, Kansas City, Kansas, has advised the Kansas City Office that during his recent trip of transporting KENNETH ALLEN KITTS from the U. S. Penitentiary, Leavenworth, Kansas, to Sioux City, Iowa, to appear in Court during the week of April 25, 1952, the following circumstances occurred, which indicated to him that KITTS and [] had considered offering him a bribe to effect the release of KITTS.

Mr. GALLAGHER stated that KITTS and [] were confined in the County Jail, Sioux City, Iowa, during the trial of April 24, 1952, and that about 9:00 PM he received a telephone call from the jailer, which was made to GALLAGHER at the Sword Hotel, during which the jailer stated that KITTS had requested GALLAGHER to bring him some candy bars and cigarettes. The jailer called GALLAGHER at GALLAGHER's instructions to the jailer relative to any requests from KITTS. He stated that he thereafter went to the jail accompanied by Officer [] of the Kansas City, Kansas, Police Department, who made the trip from Leavenworth, Kansas, to Sioux City as a guard, and he took KITTS several Milky Way Candy Bars and a carton of Old Gold Cigarettes. GALLAGHER stated that he talked to KITTS for several minutes, probably ten at the most, and as he was getting ready to leave, KITTS said, [] wants to see you." GALLAGHER stated that [] was in another cell located some distance from KITTS' cell.

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GALLAGHER said he went to see [] and [] asked if he would be returning KITTS to the Leavenworth Penitentiary and asked also if GALLAGHER could visit KITTS at the penitentiary if he desired to do so. GALLAGHER said he told [] that he did not know whether he could visit a prisoner in the penitentiary, because he had never tried to do so and he did not know whether it could be arranged. [] thereupon told GALLAGHER that he expected to be released on bond within a few weeks and that he expected to come to Kansas City, Kansas. [] further stated that he knows that KITTS likes GALLAGHER and would like to do something for GALLAGHER. [] then stated that KITTS has two quantities of money hidden away and that KITTS' []

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Mr. Connor

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MAY 10 1952

EX-23

MAY 10 1952

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knows where one batch of money is located, but she does not know of the second location. [redacted] said that KITTS does not want his wife to get the money because he knew that she is associating and running around with BENNY BARONE and [redacted] in Omaha, Nebraska. [redacted] also said the second quantity of money is buried and "the worms will get it," if not removed from its hiding place. [redacted] mentioned that the second quantity of money was approximately \$67,000.00. [redacted] stated that he thought KITTS would tell GALLAGHER where the money was located if GALLAGHER would go to see KITTS at the Leavenworth Penitentiary sometime in the future.

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GALLAGHER stated that he thereupon admonished [redacted] for suggesting that GALLAGHER would want to have anything to do with any of KITTS' money, and that he immediately went back to KITTS' cell previous to leaving the jail and said to KITTS, "What's the matter with you guys, do you think I have rocks in my head?" KITTS asked GALLAGHER what he was talking about. GALLAGHER told KITTS that KITTS, of course, knew what [redacted] had talked to him about, because KITTS had told GALLAGHER that [redacted] wanted to see him. GALLAGHER said that he had immediately left the jail without any further conversation with KITTS.

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GALLAGHER stated that while returning KITTS to the United States Penitentiary, Leavenworth, Kansas, on April 26, 1952, they stopped at Clarinda, Iowa, for a meal. GALLAGHER stated that while [redacted] the guard, was momentarily away from the table where he and KITTS were sitting, KITTS brought up the subject of the conversation that [redacted] had had with GALLAGHER at Sioux City. KITTS stated that he did have two "stashes" of money, the location of one being known to his wife and the other one, the location of which she did not know. GALLAGHER stated he questioned KITTS as to whether the second quantity of money amounted to \$67,000.00, and KITTS stated, "I have that much money." KITTS then told GALLAGHER that he would like to do something for him, but did not say specifically what he would desire to do.

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GALLAGHER stated that he believes that KITTS and [redacted] had in mind to attempt to make arrangements with GALLAGHER so that GALLAGHER would take KITTS to the location where the money is hidden and receive a part of the money and, thereafter, "Kick KITTS loose."

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GALLAGHER stated that he wants to furnish this office the foregoing information in order that a record thereof will be available. He stated that he did not tell KITTS or [redacted] that he would not take any action to assist them, although GALLAGHER pointed out that his attitude at the time he was talking with [redacted] and KITTS at Sioux City no doubt indicated to them that he was concerned that they

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Case Originated at: OMAHA

Made At: OMAHA, NEBRASKA	Date 6/11/52	Period 5/22; 6/4, 5/52	Made By: ELMER L. JACOBSEN DR
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Title BENNIE BARONE, was.; YANCY DOUGLAS HARDY, was.; PASQUALE JOSEPH BELCASTRO, was.; [redacted] was.; Laurens State Bank, Laurens, Iowa, November 3, 1950	Character BANK ROBBERY - BURGLARY; MISPRISION OF FELONY; ACCESSORY AFTER THE FACT
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SUPPLEMENTARY PROSECUTIVE
SUMMARY REPORT

This report is being submitted to reflect the identity of all known witnesses in this case. It supplements the Prosecutive Summary Report of SA EDWARD A. DONAHOE, Omaha, dated April 24, 1951, and does not undertake to repeat in total information set out in SA DONAHOE's Summary Report. This report deals only with the receiving violations.

PROSECUTIVE ACTION

On July 20, 1951, at Omaha, Nebraska, the Federal Grand Jury returned an indictment in three counts against BENNIE BARONE, charging him with violations of Title 18, Sections 3, 2314 and 2113 (c), U. S. Code. This indictment reads as follows:

COUNT I

"That BENNIE BARONE, on or about November 3, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, then and there knowing that an offense against the United States had been committed,

Approved and Forwarded *L. Saltonstall* Special Agent in Charge 71-2477-48
Do Not Write in These Spaces and Index 48

Copies: ② - BUREAU 41-578 2 - USA, OMAHA 5 - OMAHA (91-620) <i>COPY IN FILE</i>	Bureau of Investigation Department of Justice Routed to: File: <i>JW</i>	SEARCHED INDEXED Jacketed:
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OM 91-620

to-wit: A violation of 18 U.S.C. 2314, in that Kenneth Allen Kitts, Yancy Douglas Hardy and Pasquale Joseph Belcastro had transported and caused to be transported in interstate commerce from Laurens, and Sioux City, Iowa, to Omaha, Nebraska, certain stolen lawful money of the United States and securities exceeding \$5,000. in value, the securities consisting of American Express Company and Bank of America Traveler's Checks, knowing the same to have been stolen,

did receive, relieve, comfort and assist the said Yancy Douglas Hardy and Pasquale Joseph Belcastro in order to hinder and prevent their, the said Yancy Douglas Hardy's and Pasquale Joseph Belcastro's apprehension, trial and punishment. (18 U.S.C. 3).

COUNT II

"That BENNIE BARONE on or about November 3, 1950, in violation of Section 2314, Title 18, United States Code, did transport and cause to be transported in interstate commerce from Sioux City, in the State of Iowa, to Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, certain stolen lawful money of the United States and securities exceeding \$5000.00 in value, which had theretofore been stolen from the Laurens State Bank of Laurens, Iowa, on or about November 3, 1950, the securities consisting of American Express Company and Bank of America Traveler's Checks, knowing the same to have been stolen.

COUNT III

"That BENNIE BARONE on or about the 3rd day of November, 1950, in violation of Section 2113(c), Title 18, United States Code, in Omaha, Douglas County, in the Omaha Division of the District of Nebraska, did receive, possess, conceal, store, barter and dispose of money and property, knowing the same to have been taken from and belonging to and being in the care, custody, control, management and possession of the Laurens State Bank of Laurens, Iowa, the deposits of which said bank are and were then insured by the Federal Deposit Insurance Corporation; such taking of said moneys from said bank being in violation of subsection b of Section 2113, Title 18, United States Code."

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OM 91-620

The Federal Grand Jury, at Omaha, Nebraska, on July 20, 1951, also returned a conspiracy indictment against BARONE and co-defendants PASQUALE JOSEPH BELCASTRO, [REDACTED] and YANCY DOUGLAS HARDY, charging them in one count as follows:

COUNT I

"That BENNIE BARONE, PASQUALE JOSEPH BELCASTRO, [REDACTED] and YANCY DOUGLAS HARDY, herein referred to as the defendants, on or about November 3, 1950, and continuously thereafter up to and including November 30, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, did unlawfully, wilfully, knowingly, and feloniously conspire and agree among themselves and with other persons unknown and whose names are unknown, to commit offenses against the United States and particularly to violate the provisions of Section 2314 of Title 18, of the United States Code, in that the said defendants, or one of them, would transport and cause to be transported in interstate commerce from the State of Iowa, to the State of Nebraska, and from the State of Nebraska to other States, certain stolen lawful money of the United States and other valuable securities, exceeding \$5000.00 in value, knowing the same to have been stolen. That in carrying out the said conspiracy and to effect the purposes thereof the said defendants did commit the following overt acts, to-wit:

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1. On or about November 3, 1950, the defendant Pasquale Joseph Belcastro, and Yancy Douglas Hardy drove from Sioux City, Iowa, to Omaha, Nebraska.
2. On or about November 3, 1950, defendant Pasquale Joseph Belcastro, and Yancy Douglas Hardy did transport and cause to be transported in interstate commerce from Sioux City, in the State of Iowa, to Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, certain stolen lawful money of the United States and securities exceeding \$5000.00 in value, which had theretofore been stolen from the Laurens State Bank of Laurens, Iowa, on or about November 3, 1950, the securities consisting of American Express Company and Bank of America Traveler's Checks, knowing the same to have been stolen.

OM 91-620

3. On or about November 3, 1950, the defendant Pasquale Joseph Belcastro, and Yancy Douglas Hardy, delivered approximately \$3100.00 in silver money of the United States, the same being a portion of the stolen and transported moneys, to the defendant Bennie Barone in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska.
4. On or about November 3, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, the defendant Bennie Barone delivered \$1500.00 in lawful paper currency to the defendant Pasquale Joseph Belcastro.
5. On or about November 6, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, the defendant Pasquale Joseph Belcastro gave \$300.00 to the defendant Bennie Barone.
6. On or about November 6, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, the defendant Bennie Barone delivered \$1500.00 in lawful paper currency to the defendant Pasquale Joseph Belcastro.
7. On or about November 7, 1950, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, the defendants Bennie Barone, Pasquale Joseph Belcastro, and Anthony [redacted] met at the Paxton Hotel in Omaha, Nebraska.
8. On or about November 7, 1950, the defendant Bennie Barone, in Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, reserved a room at the Paxton Hotel in Omaha, Nebraska, for the defendant, [redacted]
[redacted]
9. On or about November 22, 1950, the defendant Pasquale Joseph Belcastro transported in interstate commerce from Omaha, in Douglas County, in the Omaha Division of the District of Nebraska, to New York, in the State of New York, certain stolen securities exceeding \$5000.00 in value, which had theretofore been stolen from the Laurens State Bank of Laurens, Iowa, on or about November 3, 1950, the securities consisting of American Express Company and Bank of America Traveler's Checks, knowing the same to have been stolen."

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OM 91-620

As noted in the previous Summary Report, BARONE, on January 24, 1951, had been released on \$5000.00 bond in connection with the substantive violation in this case, the receiving of loot from the Laurens State Bank, Laurens, Iowa, bank burglary. Upon the return of the above indictments, BARONE appeared in U. S. District Court and furnished an additional \$1000.00 bond in connection with the conspiracy indictment. The court continued the \$5000.00 bond on the substantive violation.

With regard to the location of the other defendants in the conspiracy indictment, BELCASTRO and [redacted] are confined in the Federal Correctional Institution at Milan, Michigan. HARDY is incarcerated at the U. S. Penitentiary, Leavenworth, Kansas. BELCASTRO is serving a ten-year sentence, [redacted] a five-year sentence and HARDY a twenty-year sentence, all sentences being imposed in U. S. District Court, Northern District of Iowa, in March, 1951.

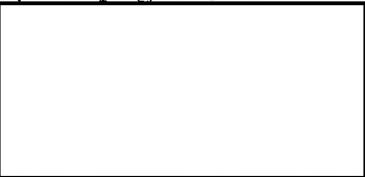
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After learning of his indictments, BARONE, through his attorney, filed, at intervals, numerous motions. The necessary court hearings on these motions resulted in BARONE's arraignment on the indictments being delayed until April 11, 1952. At this time he entered a plea of not guilty before the U. S. District Court, Omaha, Nebraska.



(See pages 5 and 6 of previous Summary Report.)

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(See pages 6 through 8 of previous Summary Report.)

OM 91-620

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In addition,

For the information of the U. S. Attorney, Omaha:

In connection with the listing in the previous summary of defendant HARDY as a potential witness, he was interviewed on May 1, 1951 at the U. S. Penitentiary, Leavenworth, Kansas. He furnished the following information concerning his association with BELCASTRO in connection with the exchange of silver for currency, which may possibly become evidence for the defense of BARONE should HARDY be brought to Omaha:

HARDY stated that on their return from Sioux City, Iowa on the morning of November 3, 1951, KITTS, BELCASTRO and he first stopped at the Last Chance to see BENNIE BARONE; that thereafter they took KITTS to his residence; KITTS took his share of the silver with him; that thereafter, without KITTS, they drove to BENNIE BARONE's house where BELCASTRO blew the horn but did not go in, possibly receiving an acknowledgment from BARONE that they were there.

HARDY alleges that thereafter, with BELCASTRO driving, and without BARONE, they drove to an Omaha residence which he believed to be north of Dodge Street and on a street lined with trees. He stated that they entered this house through the back door carrying the silver coins which amounted to \$3300.00; that he, HARDY, went as far as the kitchen whereas BELCASTRO went on with the male resident into an adjoining room in which, BELCASTRO later stated, there was a milk can set deep in the floor and in which the silver was placed after counting same.

OM 91-620

HARDY stated that he and BELCASTRO received the \$3,000.00 at this time in various large bills, probably \$20.00 bills, all of which were wrapped in bank tapes, \$500.00 being in each package. HARDY stated that after handing this money to BELCASTRO, the man stated that "if anyone tries to stick me up, I will know who to look for". As further indication of the fact that BARONE would take no money for his assistance in arranging for the silver to be exchanged into currency by the above-mentioned stranger, HARDY stated that BARONE would not accept \$50.00 from HARDY at the airport when HARDY was about to board the plane for his home in Tyler, Texas in the latter part of the morning of November 3, 1950.

BELCASTRO was interviewed concerning this information in May, 1951, at the U. S. Penitentiary, Terre Haute, Indiana. He stated that the above story of HARDY is false and that the details of this transaction, as set out in the previous Summary Report, are correct.

[redacted]

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Also for the further information of the U. S. Attorney, Omaha, Nebraska. BENNIE BARONE's [redacted]

[redacted] was interviewed on July 3, 1951 concerning possible observations he may have had of the alleged flashing of \$1500.00 in currency by BARONE and BELCASTRO at [redacted] Texaco Gas Station, 24th and Pierce Streets, Omaha, on about November 6, 1950. He denied having observed BELCASTRO and BARONE in there at the same time during the latter part of the first week of November, 1950. He also denied having observed [redacted] having conversation with BARONE in his gas station about this time; further, he did not recall of any occasion that Sheriff RICHARD COLLINS called his gas station to talk to BENNIE BARONE; and he did not recall ever having seen [redacted] and BELCASTRO at the gas station at the same time. A signed statement was taken from [redacted] to this effect on July 3, 1951 and same is enclosed in the Omaha file in this case.

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OM 91-620

None of the captioned defendants presently have any other criminal charges pending against them, with the exception of HARDY. Defendant HARDY is under indictment at Sioux Falls, South Dakota, for the October 4, 1950 burglary of the Bank of Garretson, Garretson, South Dakota. This indictment was returned by the Federal Grand Jury there in March, 1950 and was based upon testimony furnished at Grand Jury by KENNETH ALLEN KITTS. Though KITTS may prove uncooperative in connection with this charge, it appears certain that BELCASTRO will testify to same, having been the accomplice of KITTS and HARDY.

No information could be developed by investigation at Omaha, Nebraska, and Council Bluffs, Iowa, banks in connection with BARONE's disposition of the \$3100.00 worth of silver coins.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (91-5787)
 Att'n: Crime Records
 FROM: SAC, OMAHA (91-620)

DATE: 7/15/52

SUBJECT: KENNETH ALLEN KITTS, was., Et Al;
 Laurens State Bank, Laurens, Iowa,
 November 3, 1950;
 BR-B

Enclosed herewith are two copies of an interesting case memorandum on KENNETH ALLEN KITTS.

Inasmuch as KITTS is presently confined in the U. S. Penitentiary at Leavenworth, Kansas, only through the courtesy of the Nebraska state authorities, it is expected that his return will be requested by the Nebraska authorities in the latter part of July or first part of August, 1952. This eventuality will possibly cause KITTS to further the prosecutive action against accomplices in various bank burglary cases. The next date of a trial in which KITTS will be a material witness is set for October 15, 1952 in the Northern District of Iowa. This will involve the indictment of [redacted]

[redacted] and [redacted] for the burglary of the Granville Office, Hospers Savings Bank, Granville, Iowa, 5/25/50 and the Citizens State Bank, Webb, Iowa, 5/26/50. It is also a possibility that KITTS would be used as a witness in connection with indictments returned through his testimony in the District of South Dakota for burglaries of banks at Hurley, Selby, Edgemont and Garretson.

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*Copies of several exhibits attached in
order of Encl. attached in
Crime Records file*

EX-3B

*This doc. was not
verified with telephone*

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BELCASTRO was apprehended at Chicago, Illinois, on December 4, 1950 and, in signed statements, admitted the burglary, with KITTS and HARDY, of the Laurens, Iowa, bank and the robbery of the Garretson, South Dakota, bank. At this time he also admitted the burglary of the Kaylor, South Dakota and the Springview, Nebraska, banks with [redacted] and KITTS. [redacted]

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[redacted] was a former St. Joseph, Missouri, cab driver for whom KITTS had worked as a cab driver while residing in St. Joseph, Missouri, in the winter of 1945-1946.

KITTS was arrested by Bureau agents at Omaha, Nebraska, on December 6, 1950, for the Laurens burglary and a short time later was free on \$10,000.00 bond. Later on December 6, 1950 KITTS was again arrested by Bureau agents, this time at Council Bluffs, Iowa, in the steakhouse of BENNIE BARONE, FBI No. 500634. This arrest was for the robbery of the Garretson, South Dakota, bank. His bond on this charge was set at \$50,000.00 in failure of which he was transported between various Iowa jails for safe-keeping. He escaped at about 7:30 P.M., January 22, 1951 from the Linn County Jail, Cedar Rapids, Iowa. KITTS remained at large until 3:15 A.M., February 8, 1951, when he was apprehended in the Tower Tourist Village, just outside of Omaha.

Investigation to locate KITTS, the escapee, entailed an investigation on a national basis and involved the issuance of a Wanted Flyer on January 25, 1951 and an Identification Order on January 26, 1951. Upon apprehension, KITTS continually

agents immediately blinded him as he lay back in bed and raised both hands shouting, "Don't shoot!"

KITTS had lost approximately 30 pounds in weight since his apprehension December 6, 1950. Following his escape from Cedar Rapids he had had his hair marcelled, dyed dark red, and raised a mustache. (Photographs of KITTS as he appeared at the time of his apprehension were enclosed to the Bureau by letter dated February 9, 1951)

KITTS had been well-known from December, 1947, to agents of the Omaha Office as a well-dressed, arrogant cop hater. During most of this time he was a two car owner and most of his automobile purchases were Cadillacs. He thought himself, when supported by his attorneys, to be too smart for law enforcement officers, and apparently went out of his way to embarrass police officers. He was known to have purposely made left-hand turns at corners where same ~~was~~^{ever} prohibited in Omaha, and in the presence of local patrolmen, in order that he could browbeat the officer when latter called this violation to his attention. On one occasion, he was heard stating, as an officer humbly left him, "See what you can do when you drive a Cadillac?". On another occasion, he was reported to have threatened to get an officer's job when latter was going to tag him for parking in a no parking zone.

About 3:00 A.M. December 4, 1949, while a Bureau agent was conducting investigation at BENNIE BARONE's Last Chance

Tavern, Council Bluffs, Iowa, KITTS heard the agent request
BARONE and his partner, [redacted]

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to, at their convenience, meet with him in the back of the tavern to view photographs of subjects in the [redacted] case. KITTS at this time was throwing a party for his wife and a number of his close associates. He stood up to advise [redacted] that he did not have to talk to the agent and "tell him to get a warrant". Thereafter, KITTS turned to the agent and said, "Why the h____ do you come in here trying to ruin this place's business on Saturday night?" KITTS was told at that time that he ought to mind his own business, and that he had plenty of his own trouble to take care of. KITTS resented this statement and it was quite apparent that he would attack the agent if no one interceded. [redacted] and another man immediately took KITTS outside of the tavern and no assaulting of a Federal Officer charge was forthcoming.

From December, 1947, when he was arrested inside the South Omaha Eagles Club, Omaha, Nebraska, while attempting to burglarize same, KITTS remained at liberty on bond, successfully defeating all attempts by prosecutors to have him incarcerated for felony violation. In one instance, from March 30, 1950 to the date of his arrest, December 6, 1950, he had been successful in preventing his removal to Knoxville, Tennessee, to face an Impersonation charge there. It was only after he was being tried in Mason City, Iowa, in March, 1951, that the Nebraska

FEDERAL BUREAU OF INVESTIGATION
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No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 9

Page 71 ~ b3, b6, b7C

Page 72 ~ b3, b6, b7C

Page 73 ~ b3, b6, b7C

Page 74 ~ b3, b6, b7C

Page 75 ~ b3, b6, b7C

Page 76 ~ b3, b6, b7C

Page 77 ~ b3, b6, b7C

Page 78 ~ b3, b6, b7C

Page 79 ~ b3, b6, b7C